

PENDING APPROVAL
DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
MARCH 9, 2006

The Members of the Department of Financial Institutions met at 9:30 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Present from the Department were Judith G. Ripley, Director; J. Philip Goddard, Deputy Director, Chief Legal Counsel and Secretary; James M. Cooper, Deputy Director, Depository Division; Chuck T. Stumpf, Deputy Director, Administration Division; Mark K. Powell, Supervisor, Credit Union Division; Mark Tarpey, Supervisor, Consumer Credit Division; John Schroeder, Deputy Director, Non-Depository Division; Gina R. Williams, Supervisor, Administration Division; Troy Pogue, Supervisor, Administration Division and Ronda Bailey, Administrative Assistant. Representing Evansville Commerce Bank were: Tom Austerman and Bruce Thomas. Representing MainSource Bank-Crawfordsville were: Karen Woods, Matt Macaluso and Jamie Anderson. Other guests were: Scott Fryzel, representing First Midwest Bancorp, Inc., and Michael R. Brown, Vice President of Executive Media.

I. EXECUTIVE SESSION:

- A. John Schroeder presented to the Members an update on a licensure action which is confidential pursuant to IC 28-1-2-30. This aspect of the Executive Session is authorized by IC 5-14-1.5-6.1 (b)(7).

II. PUBLIC SESSION:

- A. Members Present: David A. Bochnowski, Chairman, Michael W. Davis, Richard J. Rice and Paul Sweeney. Vice Chairman Joseph Pierce and Travis Holdman were absent.
- B. Approval of the minutes of the meeting held February 9, 2006. Chairman Bochnowski entertained a motion to approve the minutes for February 9, 2006 meeting subject to the correction on page 7 item # 21. Mr. Sweeney moved approval of the minutes; Mr. Rice seconded the motion, and the motion passed unanimously.
- C. Date of next meeting. April 13, 2006 @ 10:00 a.m., at the Indiana Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.

D. DIVISION OF BANK AND TRUST COMPANIES:

1. Evansville Commerce Bank, Evansville, Vanderburgh County, Indiana

Mr. Kirk Schreiber, Senior Bank Analyst presented the application. Mr. Schreiber introduced Tom Austerman and Bruce Thomas who were attending the meeting representing the applicant.

Mr. Schreiber informed the Members of the Department that Tom Austerman, as an incorporator, has applied to the Department for approval to organize a state-chartered commercial bank to be known as the Evansville Commerce Bank (the "Bank") pursuant to IC 28-11-5. The Bank will operate as a full service community commercial bank. The Bank's primary trade area will be the City of Evansville, but will also extend throughout

Vanderburgh County.

The incorporator intends to raise \$8 million to \$10 million through the sale of 800,000 to 1,000,000 shares of the Bank's common stock. Capitol Bancorp Limited ("Capitol"), a multi bank holding company headquartered in Lansing, Michigan will acquire at least 51% or majority interest of the Bank stock. Local investors will own the remaining 49% of the stock of the Bank. Under this structure the Bank will have local ownership, management and directorship, yet have Capitol to serve as a source of strength.

The organizers of the Bank believe the success of the Bank will depend on its ability to establish personal relationship banking that is generally not available in larger institutions. The organizers believe bigger is not better. The Bank intends to focus on five segments of the market: Professionals; Executives; Small and Medium Businesses; Senior Citizens; and all individuals desiring highly personalized banking service.

The bank intends to conduct its operations from a main office located at 20 NW Fourth Street, Evansville. There are no plans for branches or ATM's. The Bank intends to gather deposits from its business customers by using an in-house courier service to pick up deposits directly from the client.

Mr. Schreiber informed the Members that the statute states the Department should investigate and consider the following:

Factor #1 The financial standing and character of the incorporators, organizers, directors, principal shareholders, and controlling corporation.

Mr. Schreiber reported that: the proposed board of directors are all recognized and established business leaders or professionals generally in the Evansville area. As a group, the proposed board of directors has significant banking and business experience and many close personal ties to the Evansville metropolitan area.

A review of these individuals' financial statements and biographical backgrounds was conducted as part of the application investigation. No unfavorable items were noted. In addition, the FDIC conducted its own background investigation including FBI criminal checks. This investigation revealed no unfavorable responses.

Capitol is a publicly traded company on the NASDAQ stock market. As of December 31, 2005, Capitol had total assets on a consolidated basis of \$3.5 billion and total equity capital of \$304 million. The Federal Reserve Bank of Chicago conducted a full scope inspection of Capitol as of December 5, 2005. The inspection reported the overall financial condition of Capitol to be satisfactory and a satisfactory holding company rating was assigned.

The financial standing and character of the incorporator, organizer, director, principal shareholder are considered acceptable.

Factor #2 The character, qualifications, and experience of the officers and directors of the proposed financial institution.

The bank intends to begin operations with a staff of approximately 12 full-time employees. Tom Austerman will serve as the Bank's President and Chief Executive Officer and will serve on the Bank's board of directors. Mr. Austerman has over 34 years of banking experience with Second National Bank of Richmond, The First National Bank of Danville and National City Bank of Evansville. Mr. Austerman was also the executive organizer and founding President and Chief Executive Officer of the Bank of Evansville. Chris Pfister will be the Bank's Executive Vice President and Chief Credit Officer. Mr. Pfister has approximately 16 years of commercial banking experience with AmBanc Indiana, Vincennes and Old National Bank, Evansville.

Several members of the proposed board of directors have prior bank board experience. In addition, two individuals from Capitol with extensive bank board experience will also sit on the board of directors. Overall the proposed board of directors is a well rounded group.

The character, qualifications, and experience of the officers and directors of the proposed financial institution are considered acceptable.

Factor #3 The future earnings prospects for the proposed financial institution in the community in which the financial institution is to be established.

Anticipated balance sheet, income projections and significant ratios were discussed. The projections were prepared by Joe Reid III, Director of Bank Development for Capitol. The assumptions are based on the experience Capitol has had in the development of the other 41 de novo banks that it has been involved with over the past ten years and Mr. Austerman's knowledge of the Evansville market.

The projections appear reasonable based on the assumptions utilized and the proposed marketing plan of the Bank.

Factor #4 The adequacy of the financial institution's proposed capital.

The proposed capital of the Bank is considered adequate. The FDIC Statement of Policy states that the basic benchmark for evaluating the adequacy of the capital structure of a new depository institution is that it should have initial capitalization sufficient to provide a ratio of Tier 1 capital to total estimated assets of at least 8% at the end of the 3rd year of operation. Pro forma financial information projects the Tier 1 capital ratio to exceed the minimum required capital ratios.

Mr. Schreiber informed the Members the FDIC is expected to approve the application for deposit insurance for the proposed Bank.

Based on the findings of the investigation by the Department, the staff recommended approval of the formation of a state chartered commercial bank to be known as Evansville Commerce Bank headquartered in Evansville, Indiana, subject to the following conditions:

1. The Bank has, prior to opening, a minimum paid-in capital of \$8,000,000.
2. During the first three years of operation the Bank shall maintain no less than an eight percent (8%) tier 1 capital ratio.
3. The Bank shall operate within the parameters of the submitted business plan. Any material changes from the submitted plan during the first three (3) years of organization shall require the prior written approval of the Director.
4. Any changes in the proposed executive officers, directors or principal shareholders in the first three (3) years shall require the prior written approval of the Director.
5. The Bank will not pay any dividends to shareholders for a period of three (3) years without the prior written approval of the Director.
6. The Bank will have an audit of its financial statements annually for the first three (3) years of operation conducted by a public accountant who has been approved by the Department. The Bank must furnish a copy of any reports by the independent auditor, including any management letters, and notify the Department when a change in its independent auditor occurs.
7. The Bank must be incorporated within six (6) months from the date of Department approval or the application is required to be refiled.
8. The Bank shall submit to the Department monthly financial statements of the Bank's operations including a statement of condition and statement of income until notified otherwise.

After a brief discussion, the Members voted on the formation of Evansville Commerce Bank with the following votes taken for each of the approval Factors:

Factor #1 was unanimously approved. There were no unfavorable votes.

Factor #2 was unanimously approved. There were no unfavorable votes.

Factor #3 was unanimously approved. There were no unfavorable votes.

Factor #4 was unanimously approved. There were no unfavorable votes.

A motion for approval of the application was made by Mr. Davis and seconded by Mr. Rice. The application was unanimously approved.

2. MainSource Bank – Crawfordsville, Greensburg, Decatur County, Indiana

Mr. Kirk Schreiber, Senior Bank Analyst presented the application. Mr. Schreiber introduced Karen Woods, Matt Macaluso and Jamie Anderson who were attending the meeting representing the applicant.

Mr. Schreiber informed the Members that MainSource Bank – Crawfordsville and Union Federal Savings and Loan Association, Crawfordsville, Indiana (“Union Federal”) propose to effect a merger pursuant to IC 28-1-7. The Agreement and Plan of Merger dated August 23, 2005, among MainSource Financial Group, Greensburg, Indiana (“MainSource Financial”), Union Community Bancorp, Crawfordsville, Indiana (“UCBC”) and Union Federal sets the terms and conditions upon which MainSource Financial and UCBC will affiliate through a corporate reorganization and Union Federal will convert from a federal savings and loan association to a state chartered commercial bank.

The corporate reorganization will be accomplished by UCBC merging with and into MainSource Financial and Union Federal immediately thereafter merging with and into MainSource Bank- Crawfordsville.

MainSource Bank – Crawfordsville is a wholly owned interim state chartered bank of MainSource Financial, formed specifically to facilitate the proposed merger. MainSource Bank – Crawfordsville will survive the merger. The name of the resulting institution will be MainSource Bank – Crawfordsville. The resultant institution will operate its main office at 221 East Main Street, Crawfordsville.

Shareholders of UCBC will have the right to elect to receive cash in the amount of \$27.33 per share or approximately 1,495 shares of MainSource Financial common stock for each share of UCBC common stock. Therefore, MainSource Financial will be the sole shareholder of the state chartered resultant institution.

Mr. Schreiber reported on a pro forma basis as of December 31, 2005, the resultant institution will have total assets of \$265 million, total equity capital of \$42 million and a tier 1 leverage capital ratio of 7.46%.

The Federal Reserve Bank of Chicago approved the application for MainSource Financial to acquire UCBC on January 23, 2006. The Federal Deposit Insurance Corporation approved the merger application on March 1, 2006. .

Based on the findings, it was recommended the merger be approved.

A motion for approval of the application was made by Mr. Rice and seconded by Mr.

Sweeney. The application was unanimously approved.

3. First Midwest Bancorp, Inc., Itasca, DuPage County, Illinois

Mr. Kirk Schreiber, Senior Bank Analyst presented the application. Mr. Schreiber introduced Scott Fryzel who was attending the meeting representing the applicant.

Mr. Schreiber reported that First Midwest Bancorp, Inc., ("First Midwest") had filed an application to acquire 100% control of Bank Calumet, Inc., Hammond, Indiana ("BCI") and thereby, acquire its subsidiary bank, Bank Calumet National Association, Hammond pursuant to IC 28-2-16.

First Midwest and BCI entered into an Agreement and Plan of Merger ("Agreement") dated December 12, 2005. Pursuant to the Agreement, First Midwest formed Bird Acquisition Corporation, a newly formed wholly owned subsidiary of First Midwest. Bird Acquisition Corporation will merge with and into BCI, with BCI being the survivor. As a result, First Midwest will acquire direct ownership of BCI and indirect ownership of Bank Calumet National Association.

Upon consummation and through an internal reorganization, BCI will be dissolved and Bank Calumet National Association will merge with and into First Midwest's bank subsidiary First Midwest Bank.

The Agreement provides that each share of BCI common stock issued and outstanding shall be converted into the right to receive \$153.59 for an aggregate cash purchase price of \$307 million. BCI has 1,998,811 shares of common stock issued and outstanding. The book value of BCI common stock as of September 30 was \$65.98. This represents a purchase price premium of \$87.61 or 2.33 times book value

Pro forma financials as of September 30 reflects a tier 1 leverage capital ratio of 6.09% with total assets of approximately \$8.5 billion and total equity capital of \$678 million for First Midwest.

The directors and officers of BCI will no longer serve in such capacities after the effective date of the transaction. The directors and officers of First Midwest Bank shall be the directors and officers of the surviving corporation.

Mr. Schreiber informed the Members that the required publications were made and no negative comments were received by the Federal Reserve Bank of Chicago or the Department on the acquisition. The Federal Reserve Bank of Chicago approved this application on February 16, 2006.

It was the opinion of the Department staff that all of the statutory requirements of IC 28-2-16-17 have been satisfactorily met and approval was recommended.

A motion for approval of the application was made by Mr. Davis and seconded by Mr.

Rice. The application was unanimously approved.

E. CREDIT UNION DIVISION:

1. Elkhart County Farm Bureau Credit Union, Goshen, Elkhart County, Indiana

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Elkhart County Farm Bureau Credit Union applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Penn Credit Union, Goshen, Elkhart County, Indiana into Elkhart County Farm Bureau Credit Union.

This was a voluntary merger being entered into by the Board of Directors of Penn Credit Union in order to provide the more complete and sophisticated financial services of Elkhart County Farm Bureau Credit Union to the membership of Penn Credit Union.

Mr. Powell explained that this merger will have little effect upon the balance sheet of Elkhart County Farm Bureau Credit Union as capital will decrease by 0.06% after the merger.

A motion for approval of the application was made by Mr. Rice and seconded by Mr. Sweeney. The application was unanimously approved.

F. CONSUMER CREDIT DIVISION :

- 1.** Mr. Jim Harrell, Assistant to the Supervisor, Consumer Credit Division presented to the Members for approval the adoption of Indiana Uniform Consumer Credit Code dollar amount changes under IC 24-4.5-1-106, effective July 1, 2006, based on the Consumer Price index, U.S. City Average. **A motion for approval was made by Mr. Rice and seconded by Mr. Davis. The request was unanimously approved.**

G. DIRECTOR'S COMMENTS AND REQUESTS :

- 1.** A discussion was held with the Members to discuss alternatives in the event that a quorum of the Members would not be available. No decision resulted.

H. ACTIONS BY DELEGATED AUTHORITY:

1. Ameriana Bank & Trust, New Castle, Henry County, Indiana

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$700,000 to its holding company, Ameriana Bancorp, New Castle, Indiana. The dividend will be upstreamed to the parent holding company for its regular first quarter dividend and for other holding company expenses. As of December 31, 2005, the bank's Tier I leverage capital ratio is 8.09%. Proforma Tier 1 leverage capital ratio as of December 31, 2005, is approximately 7.89% after the payment of the dividend. **This was approved by the Director on February 27, 2006, under delegated authority.**

2. **First Savings Bank of Hegewisch, Chicago, Cook County, Illinois**

An application for issuance of a certificate of admission was received from First Savings Bank of Hegewisch, Chicago, Cook County, Illinois ("First Savings"). First Savings filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through a branch in Dyer, Indiana. First Savings is an Illinois state chartered savings bank. Armand E. Capanna, 1100 Cornwallis Lane, Munster, Lake County, Indiana has been appointed as resident agent for service of legal process by First Savings. **The Director issued a Certificate of Admission on February 27, 2006, under delegated authority.**

3. **Nexus Fiduciary Trust Corporation, Noblesville, Hamilton County, Indiana**

Nexus Fiduciary Trust Corporation has applied to the Department for permission to amend Article 1, Section 1 of its Articles of Incorporation. The amendment to Article 1, Section 1 will change the bank's name to **Community Trust & Investment Company, Inc.** The effective date of the amendment will be the date the Articles of Amendment are filed with the Secretary of State. **This was approved by the Director on February 27, 2006, under delegated authority.**

4. **Forum Credit Union, Indianapolis, Marion County, Indiana**

The credit filed a request for approval of an amendment to its Articles of Incorporation Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Indianapolis Harley-Davidson – Indianapolis – 45 members (common bond of occupation as defined by 28-7-1-10).

Dellen Auto – Greenfield – 90 members (common bond of occupation as defined by 28-7-1-10).

Indianapolis Veterinary Emergency Center – Indianapolis – 40 members (common bond of occupation as defined by 28-7-1-10).

Dr. Falender – Indianapolis – 7 members (common bond of occupation as defined by 28-7-1-10).

NAI Olympia Partners – Indianapolis – 30 members (common bond of occupation as defined by 28-7-1-10).

Livengood & Associates – Indianapolis – 11 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on February 2, 2006, under delegated authority.**

5. **Teachers Credit Union, South Bend, St. Joseph County, Indiana**

The credit union filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

S & W Lodgings, Inc. – Warsaw – 2 members (common bond of occupation as defined by 28-7-1-10).

Armige of MI, LLC, d/b/a Aaron's – Niles, MI – 6 members (common bond of occupation as defined by 28-7-1-10).

Sarswati, Inc. d/b/a Holiday Inn Express – Niles, MI – 12 members (common bond of occupation as defined by 28-7-1-10).

Indiana Army National Guard in Huntington County – Huntington – 78 members (common bond of professional association as defined by 28-7-1-10). **This was approved by the Director on February 8, 2006, under delegated authority.**

6. State Merit Service Credit Union, Indianapolis, Marion County, Indiana

The credit union filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Indiana Professional Licensing Agency – Indianapolis – 90 members (common bond of occupation as defined by 28-7-1-10).

Indiana Department of Education – Indianapolis – 300 members (common bond of occupation as defined by 28-7-1-10).

Indiana Department of Administration – Indianapolis – 350 members (common bond of occupation as defined by 28-7-1-10).

Indiana Office of Technology – Indianapolis – 200 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on February 2, 2006, under delegated authority.**

7. Teachers Credit Union, South Bend, St. Joseph County, Indiana

The credit union filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Advance Auto Parts – Niles, MI – 12 members (common bond of occupation as defined by 28-7-1-10).

Braman & Son Memorial Chapel, Inc. – Knox – 7 members (common bond of occupation as defined by 28-7-1-10).

BLB Hospitality Corporation – Richmond – 1 member (common bond of occupation as defined by 28-7-1-10).

Premier Tool & Die Cast Corporation – Berrien Springs, MI – 300 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on February 27, 2006, under delegated authority.**

8. **Teachers Credit Union, South Bend, St. Joseph County, Indiana**

The credit union filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed persons who reside or are employed within the following communities into the field of membership of the credit union:

Starke County, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10).

LaPorte County, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10). **This was approved by the Director on February 27, 2006, under delegated authority.**

9. **Firefighters Credit Union, Indianapolis, Marion County, Indiana**

The credit union filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Indiana Firefighters Association, Inc. – Indianapolis – 2,000 members (common bond of professional association as defined by 28-7-1-10).

Indiana Volunteer Firefighter's Association – Indianapolis – 17,000 members (common bond of association as defined by 28-7-1-10). **This was approved by the Director on February 27, 2006, under delegated authority.**

10. **Forum Credit Union, Indianapolis, Marion County, Indiana**

The credit union filed a request for approval of an amendment to its Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Indiana Hotel & Lodging Association – Indianapolis – 184 members (common bond of professional association as defined by 28-7-1-10).

Restaurant & Hospitality Association of Indiana – Indianapolis – 1,484 members (common bond of professional association as defined by 28-7-1-10).

Indiana Association of Beverage Retailers – Indianapolis – 495 members (common bond of professional association as defined by 28-7-1-10).

K2 Business Alliance – Oak Brook, IL – 8 members (common bond of professional association as defined by 28-7-1-10).

Liquorland (Fangman Ent) – Indianapolis – 14 members (common bond of occupation as defined by 28-7-1-10).

Dennis Church, DDS – Elwood – 8 members (common bond of occupation as defined by 28-7-1-10).

Rayco – Indianapolis – 18 members (common bond of occupation as defined by 28-7-1-10).

Endangered Species Chocolate – Indianapolis – 65 members (common bond of occupation as defined by 28-7-1-10).

All Day Moving Planners – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10).

East Indy Endodontics – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10).

Vanguard Services, Inc. – Indianapolis – 36 members (common bond of occupation as defined by 28-7-1-10).

Commercial Office Environments – Indianapolis – 16 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on March 1, 2006, under delegated authority.**

CERTIFICATION:

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session was conducted in the public place.

Other Business. Chairman Bochnowski asked if there was other business. There being no further business, Chairman Bochnowski adjourned the meeting.

APPROVED:

ATTEST:

David A. Bochnowski, Chairman

J. Philip Goddard, Secretary